

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND

**Financial Statements
With Independent Auditors' Report**

For the Years Ended December 31, 2025 and 2024

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report.....	1-3
Management's Discussion and Analysis (MD&A)	4-9
Basic Financial Statements:	
Statements of Net Position.....	10
Statements of Revenues, Expenses and Changes in Net Position	11
Statements of Cash Flows.....	12
Notes to the Basic Financial Statements.....	13-34
Required Supplementary Information:	
Loss Development Information	35-36
Reconciliation of Claims Liabilities by Type of Contract.....	37
Schedule of MOPERM's Proportionate Share of the Net Pension Liability	38
Schedule of MOPERM's Contributions for Pensions	39
Schedule of MOPERM's Proportionate Share of the Net OPEB Liability	40
Schedule of MOPERM's Contributions for OPEB	41

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees and Members of
Missouri Public Entity Risk Management Fund
Jefferson City, Missouri

Opinion

We have audited the accompanying financial statements of the Missouri Public Entity Risk Management Fund (MOPERM) as of and for the year ended December 31, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MOPERM, as of December 31, 2025, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MOPERM and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of MOPERM as of December 31, 2024 were audited by other auditors whose report dated March 26, 2025 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MOPERMS's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MOPERM's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MOPERM's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, loss development information, reconciliation of claims liabilities by type of contract, schedule of MOPERM's proportionate share of the net pension liability, schedule of MOPERM's contributions for pensions, schedule of MOPERM's proportionate share of the net OPEB liability and the schedule of MOPERM's contributions for OPEB be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Matheson, Morpki, Austin & Co. LLP

Lisle, Illinois
March 5, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Management of the Missouri Public Entity Risk Management Fund (MOPERM) offers this narrative overview and analysis of the financial activities of MOPERM for the year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with MOPERM's financial statements and notes to the financial statements to enhance their understanding of MOPERM's financial performance.

FUND ACCOUNTING

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MOPERM, a body corporate and politic created by the Missouri General Assembly, uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements. MOPERM is considered to be a related party but not a component unit of the State of Missouri. There are three categories available for governmental accounting: governmental funds, proprietary funds, and fiduciary funds. MOPERM's funds are considered proprietary funds.

PROPRIETARY FUNDS

Proprietary funds account for governmental operations that are designed to be self-supporting from fees charged to consumers for the provision of goods and services or where the government has decided the periodic determination of revenues, expenses, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The accounting and financial reporting practices of proprietary funds are similar to those used for business enterprises and focus on capital maintenance and the flow of economic resources through the use of accrual accounting. Of the two types of proprietary funds, MOPERM maintains one type: an enterprise fund. MOPERM's purpose is to provide liability and property coverage to participating public entities, their officials, and employees.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to MOPERM's financial statements. Typically, governmental entity's financial statements would be presented as three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. However, MOPERM uses only proprietary funds, which presents financial statement information in the same manner as government-wide financial statements (only with more detail); thus we do not present government-wide financial statements as the information would be repetitive.

The financial statements, in addition to management's discussion and analysis, are comprised of the statements of net position; the statements of revenues, expenses and changes in net position; the statements of cash flows, and the notes to the financial statements. The financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America applicable to governmental enterprise funds.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

The statement of net position presents MOPERM's financial position as of year-end. Information is displayed on assets and liabilities, with the difference between the two reported as net position. The net position of MOPERM reflects the resources available as of the end of the year to pay claims of participants when due. Over time, increases and decreases in net position measure whether MOPERM's financial position is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information detailing the revenues and expenses that resulted in the change to net position occurring during the current year. All revenues and expenses are reported on an accrual basis. This means the revenue or expense is recognized as soon as the underlying event giving rise to the change occurs, regardless of when the actual cash is received or paid. Thus, revenues and expenses are reported in this statement for transactions that will not result in cash flows until future periods. For example, contributions due from a public entity, even though not yet paid by year end, will be reflected as revenue. Likewise, claims that occurred during the year under self-insured plans will be reflected as an expense, whether or not they have been paid as of the end of the year.

The statement of cash flows presents the cash provided and used by MOPERM categorized by operating activities, noncapital financing activities, capital and related financing activities, and investing activities. It reconciles the beginning and end of year cash balances contained in the statement of net position. The effects of accrual accounting and noncash activities, such as depreciation, are adjusted to supplement the presentation in the statements of revenues, expenses and changes in net position.

The notes to financial statements follow the basic financial statements and provide additional information that is essential to a full understanding of the data provided in the financial statements.

In addition to the financial statements and accompanying notes, required supplementary information is presented illustrating MOPERM's past 10 years of loss development as well as claim information by type of contract. Schedules illustrating MOPERM's proportionate share and employer contributions for pensions and other postemployment benefits (OPEB) are also presented.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

FINANCIAL SUMMARY AND DETAILED ANALYSIS

The following tables present the summarized financial position and results of operations for the years ended December 31, 2025, 2024 and 2023. Additional details are available in the accompanying financial statements.

	2025	2024	2023
ASSETS			
Cash and investments	\$206,922,175	\$179,595,760	\$160,450,672
Receivables	908,895	1,472,445	1,091,058
Capital assets	603,629	606,816	638,661
Deferred outflow of resources	498,245	628,623	758,961
Other	517,663	467,749	387,410
Total assets and deferred outflows of resources	<u>\$209,450,607</u>	<u>\$182,771,393</u>	<u>\$163,326,762</u>
LIABILITIES			
Loss and loss adjustment expense	\$99,531,313	\$92,325,348	\$83,628,067
Net pension and OPEB liability	3,530,307	3,540,759	3,523,115
Deferred inflow of resources	255,375	336,838	283,631
Other	16,763,851	18,409,310	15,429,764
Total liabilities and deferred inflow of resources	<u>120,080,846</u>	<u>114,612,255</u>	<u>102,864,577</u>
NET POSITION			
Net investment in capital assets	603,629	606,816	638,661
Unrestricted	88,766,132	67,552,322	59,823,524
Total net position	<u>89,369,761</u>	<u>68,159,138</u>	<u>60,462,185</u>
Total liabilities, deferred inflow of resources and net position	<u>\$209,450,607</u>	<u>\$182,771,393</u>	<u>\$163,326,762</u>

MOPERM was established to offer liability protection to participating public entities, their officials and employees. MOPERM provides member entities with broad coverages at stable and economical rates. In 2003, MOPERM's Board of Trustees approved the offering of property insurance coverage to its members, and in 2016, MOPERM's Board of Trustees approved offering cyber and information breach coverage to its members beginning in 2017. Effective October 1, 2021, liability policies written by MOPERM no longer included cyber and information breach coverage, as it is no longer available on the marketplace to be purchased on a group basis.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Total assets increased in 2025 by \$26.7 million, compared to an increase in 2024 of \$19.4 million and an increase of \$20.7 million in 2023. Cash and investments increased by \$27.3 million in 2025 compared to an increase of \$19.1 million in 2024, and a increase of \$20.3 million in 2023. Capital assets decreased between 2025 and 2024 and between 2024 and 2023 due to assets being depreciated and minimal assets being purchased. Receivables decreased by \$563,550 in 2025, following increases of approximately \$381,387 and \$75,500 in 2024 and 2023, respectively.

With the adoption of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, an amendment to GASB Statement No. 27, and GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), deferred outflow of resources of \$0.4 million, \$0.6 million, and \$0.7 million indicate differences that would be included as an offset to future pension and OPEB expense for the fiscal years ended December 31, 2025, 2024, and 2023, respectively. For 2025, 2024, and 2023, deferred inflow of resources of \$0.2 million, \$0.3 million, and \$0.2 million, respectively, presented differences between expected and actual experiences on investment earnings, as well as changes in actuarial assumptions relative to the pension and OPEB calculations. As of December 31, 2025, 2024 and 2023, MOPERM's share of the net pension liability was \$2.9 million. As of December 31, 2025, 2024 and 2023, MOPERM's share of the net OPEB liability was \$0.6 million.

Total liabilities increased by \$5.5 million in 2025 due to adverse development in loss and loss adjustment expense, which was offset be a decrease in advanced contributions. Total liabilities increased by approximately \$11.7 million in 2024 due to an increase in unearned contributions and advance contributions, and adverse development in loss and loss adjustment expenses. Total liabilities increased by approximately \$6.5 million in 2023 due to an increase in unearned premiums, net pension and OPEB liability, and an increase in loss and loss adjustment expense reserves. MOPERM has no long-term debt.

Net position for 2025 increased by \$21.2 million. There were no refunds of paid contributions pursuant to Section 537.750, RSMo, declared in 2025.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024	2023
REVENUES			
Contributions	\$46,388,704	\$39,935,113	\$36,853,751
Other income (expense)	112,302	(31,935)	403,667
Total operating revenue	<u>46,501,006</u>	<u>39,903,178</u>	<u>37,257,418</u>
EXPENSES			
Loss and loss adjustment expense	30,648,789	32,100,866	25,852,850
Excess insurance premiums	7,251,272	6,355,400	4,735,518
General and administrative	5,753,896	5,286,841	4,742,729
Total operating expenses	<u>43,653,957</u>	<u>43,743,107</u>	<u>35,331,097</u>
Operating income (loss)	<u>2,847,049</u>	<u>(3,839,929)</u>	<u>1,926,321</u>
Non-operating revenues:			
Investment income	8,731,962	11,449,632	2,440,877
Unrealized gains on investments	9,631,612	87,250	9,826,095
Non-operating revenues	<u>18,363,574</u>	<u>11,536,882</u>	<u>12,266,972</u>
Changes in net position	21,210,623	7,696,953	14,193,293
Total net position, beginning of year	<u>68,159,138</u>	<u>60,462,185</u>	<u>46,268,892</u>
Total net position, end of year	<u>\$89,369,761</u>	<u>\$68,159,138</u>	<u>\$60,462,185</u>

MOPERM increased its overall participating membership from 1,063 in 2024 to 1,072 in 2025. The net increase in members, along with a rate increase, allowed MOPERM's contributions to rise by \$6.5 million in 2025, compared to \$3.1 million in 2024 and \$6.6 million in 2023. The 2025 contribution increases were driven primarily by liability and property rate increases of 10.5%.

In 2019, MOPERM's Board of Trustees approved the removal of liability reinsurance provided by an outside carrier, effective October 1, 2019. Thus, they opted to return to the previous method of self-insuring liability coverage for members due to cost effectiveness. Although liability reinsurance premiums ended in October 2019, coverage for members during the 2018-2020 period will continue to be provided by ACE Property & Casualty (Chubb).

The performance on the fixed income portfolio over the past 12 months was -0.47% with a 2.33% return since inception. There was a 10.77% return for the past 12 months on the Multi-Asset Class Portfolio and a 15.10% return since inception. Investment income consists of interest income, amortization of premium and discounts, and realized gains and losses on securities. In 2025, investment income was \$8.7 million, compared to \$11.4 million in 2024, and \$2.4 million in 2023. MOPERM ended 2025 with \$9.6 million in unrealized gains on investments, compared to \$0.1 million in unrealized gains in 2024, and \$9.8 million in unrealized gains in 2023.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

In 2025, there was a \$1.5 million decrease in loss and loss adjustment expense, compared to 2024 when there was a \$6.2 million increase, and a \$5.5 million increase for 2023. Actual loss and loss expenses paid in 2025 were \$23.4 million, \$23.4 million in 2024, and \$22.5 million in 2023. The increases and decreases in loss and loss adjustment expense consisted of actual paid claims and the change in case and IBNR reserves.

Excess insurance premiums listed on the 2025 Statement of Revenues, Expenses and Changes in Net Position includes property reinsurance and equipment breakdown coverage. There was an overall increase in premiums between 2025 and 2024 of \$0.9 million. This was due to loss experiences, overall rate increases in the reinsurance market and increases in membership.

In 2025, general and administrative expenses totaled 12% of contribution earned. General and administrative expenses approximated 13% of total contributions earned for 2024 and 2023, respectively.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

In 2025, MOPERM's contributions increased by \$6.5 million. The increase can be attributed to both an increase in its overall participating members and liability and property rate increases of 10.5%. A total of 1,072 entities contributed to the pool in 2025 compared to 1,063 participating members in 2024.

MOPERM's total net position increased by approximately \$21.2 million in 2025, totaling approximately \$89.4 million at December 31, 2025.

ECONOMIC ENVIRONMENT AND NEXT YEAR'S BUDGET AND RATES

Since 1987, MOPERM has been a competitive alternative for local government agencies seeking to manage rising coverage costs against growing exposures and tight budgets. Rates are analyzed by an actuary each year and rate recommendations are made to management. Management analyzes the actuary's rate recommendations and suggests rate changes based on actual loss experience and the current insurance market.

CONTACTING MOPERM'S FINANCIAL MANAGEMENT

This financial report is designed to provide MOPERM members and the public with a general overview of MOPERM's finances. If you have questions about this report or need additional financial information, contact MOPERM's Fiscal Manager, Randy Gilliland, at P.O. Box 7110, Jefferson City, MO 65102, (573)751-1266 ext. 1114 or e-mail randy-gilliland@moperm.com.

BASIC FINANCIAL STATEMENTS

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

Assets		
	2025	2024
Current assets:		
Cash and cash equivalents	\$ 51,504,121	\$ 41,001,815
Investments	155,418,054	138,593,945
Deposits and accounts receivable	361,278	869,036
Accrued interest receivable	547,617	603,409
Deferred acquisition costs	510,567	460,007
Prepaid expenses	7,096	7,742
Total current assets	208,348,733	181,535,954
Capital assets, net	603,629	606,816
Deferred outflows of resources	498,245	628,623
Total assets and deferred outflow of resources	\$ 209,450,607	\$ 182,771,393
Liabilities and Net Position		
Current liabilities:		
Advance contributions	\$ 9,694,737	\$ 12,498,314
Unearned contributions	6,261,703	5,405,161
Accounts payable and accrued expenses	807,411	505,835
Total current liabilities	16,763,851	18,409,310
Noncurrent liabilities:		
Loss and loss adjustment expense reserves	99,531,313	92,325,348
Net pension and OPEB liability	3,530,307	3,540,759
Total noncurrent liabilities	103,061,620	95,866,107
Deferred inflows of resources	255,375	336,838
Total liabilities and deferred inflow of resources	120,080,846	114,612,255
Net position:		
Net investment in capital assets	603,629	606,816
Unrestricted	88,766,132	67,552,322
Total net position	89,369,761	68,159,138
Total liabilities, deferred inflow of resources and net position	\$ 209,450,607	\$ 182,771,393

See Notes to Basic Financial Statements

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Operating revenues:		
Contributions	\$ 46,388,704	\$ 39,935,113
Other income (loss)	112,302	(31,935)
Total operating revenue	46,501,006	39,903,178
Excess insurance premiums	(7,251,272)	(6,355,400)
Net operating revenues	39,249,734	33,547,778
Operating expenses:		
Losses and loss adjustment expenses	30,648,789	32,100,866
General and administrative	5,753,896	5,286,841
Total operating expenses	36,402,685	37,387,707
Operating income (loss)	2,847,049	(3,839,929)
Nonoperating revenue:		
Unrealized gains on investments	9,631,612	87,250
Investment income	8,731,962	11,449,632
Total nonoperating revenue	18,363,574	11,536,882
Change in net position	21,210,623	7,696,953
Net position, beginning of year	68,159,138	60,462,185
Net position, end of year	\$ 89,369,761	\$ 68,159,138

See Notes to Basic Financial Statements

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Contributions collected	\$ 44,542,123	\$ 42,665,592
Loss and loss adjustment expenses paid	(23,035,520)	(23,730,541)
Payments to suppliers and excess insurer	(11,730,947)	(10,283,492)
Payments to employees	(947,755)	(934,245)
Other income (loss)	112,385	(31,935)
Net cash from operating activities	<u>8,940,286</u>	<u>7,685,379</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(33,237)</u>	<u>(8,973)</u>
Cash flows from investing activities:		
Investment income received	5,570,295	4,658,008
Proceeds from investments	31,309,891	33,269,722
Purchase of investments	<u>(35,284,929)</u>	<u>(36,091,798)</u>
Net cash from investing activities	<u>1,595,257</u>	<u>1,835,932</u>
Net change in cash and cash equivalents	10,502,306	9,512,338
Cash and cash equivalents, beginning of year	<u>41,001,815</u>	<u>31,489,477</u>
Cash and cash equivalents, end of year	<u><u>\$ 51,504,121</u></u>	<u><u>\$ 41,001,815</u></u>
Reconciliation of operating income (loss) to net cash from operating activities		
Operating income (loss)	\$ 2,847,049	\$ (3,839,929)
Adjustment to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	36,341	40,818
Pension expense, net of contributions	199,024	356,445
Loss on disposal of capital assets	83	-
Change in assets and liabilities:		
Deposits and accounts receivable	507,758	(313,187)
Prepaid expenses	646	(379)
Deferred acquisition costs	(50,560)	(79,960)
Deferred outflow/inflow of resources, net	48,915	183,545
Loss and loss adjustment expense reserves	7,205,965	8,697,281
Advance contributions	(2,803,577)	2,031,608
Unearned contributions	856,542	685,102
Accounts payable and accrued expenses	301,576	262,836
Net pension and OPEB liability	<u>(209,476)</u>	<u>(338,801)</u>
Total adjustments	6,093,237	11,525,308
Net cash from operating activities	<u><u>\$ 8,940,286</u></u>	<u><u>\$ 7,685,379</u></u>
Schedule of noncash investment, capital, and financing activities:		
Change in fair value of investments	<u><u>\$ 9,631,612</u></u>	<u><u>\$ 87,250</u></u>

See Notes to Basic Financial Statements

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1. REPORTING ENTITY

The Missouri Public Entity Risk Management Fund (“MOPERM”) is a corporate and political body created by the Missouri General Assembly and signed into law on June 20, 1986. MOPERM became operational January 1, 1987. Although the State of Missouri is responsible for the employment of MOPERM’s employees and appointing some of the members of the Board of Trustees, the State’s accountability does not extend beyond these appointments. Accordingly, MOPERM is considered a related organization of the State of Missouri but is not considered a component unit.

The purpose of MOPERM, as established in Section 537.700, RSMo, and in the bylaws, is to provide liability protection to participating public entities, their officials and employees. Effective July 1, 2003, MOPERM added property coverage to its services offered to such participating members.

MOPERM uses only proprietary funds, which present financial statement information in the same manner as government-wide financial statements only with more detail. Government-wide financial statements are not presented as such information would be repetitive.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: MOPERM prepares its financial statements on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles for governmental enterprise funds. These principles are similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses when incurred.

Cash and Cash Equivalents: Cash and cash equivalents consist of cash on deposit, money market index funds (“Government Obligation Fund-Money Market”), and investments with original maturities of three months or less. All cash on deposit is insured by federal depository insurance or collateralized by securities held by the counter party financial institution’s trust department or agent in MOPERM’s name. The carrying amounts reported in the statements of net position approximate the fair value of these instruments.

Investments: MOPERM reports investments as trading assets at fair value, with the changes in fair value reported in the statement of revenues, expenses and changes in net position. The estimated fair value of fixed maturity and equity investments is based on quoted market prices. Interest income is recorded when earned. Realized gains and losses on investments are determined using the specific identification method.

Capital Assets: Capital assets are stated at cost, less accumulated depreciation. Improvements which extend the useful life of assets are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Realized gains and losses are recognized upon disposal or retirement of the related assets and are reflected in current operations using the specific cost identification methodology.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Depreciation is calculated on a straight-line basis over the following estimated useful lives of the respective assets:

	<u>Depreciable Lives</u>
Automobiles	3 years
Computer equipment and software	3-5 years
Equipment	5 years
Furniture and fixtures and building improvements	5-10 years
Building	40 years

Impairment of Capital Assets: MOPERM evaluates whether events and circumstances have occurred that indicate that the remaining estimated useful life of capital assets may warrant revision or that the remaining balance of an asset may not be recoverable. The measurement of possible impairment is based on the ability to recover the balance of assets from expected future operating cash flows on an undiscounted basis. In the opinion of management, no such impairment existed at December 31, 2025 and 2024.

Equity Classifications: Net position represents the difference between assets and liabilities. MOPERM reports three categories of net position, as follows:

Net investment in capital assets - Consists of property and equipment at cost, net of accumulated depreciation.

Restricted net position - Net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. MOPERM does not have a restricted net position as of December 31, 2025 and 2024.

Unrestricted net position - Consists of all other net position that does not meet the definition of the above component and is available for general use by MOPERM. MOPERM has designated unrestricted net position for catastrophic reserves in the amount of \$62,984,776 and \$58,991,263 as of December 31, 2025 and 2024, respectively. MOPERM considers the remaining unrestricted net position as undeclared retro return reserves which may be declared by the board at a future date. The undeclared retro return reserve balance was \$5,174,362 and \$1,470,923 as of December 31, 2025 and 2024, respectively.

Contributions: Contributions are recognized as revenue over the related policy period which may cause unearned contributions. Advance contributions represent contributions received in the current year for policies effective the following year. Unearned contributions were \$6,261,703 and \$5,405,161 as of December 31, 2025 and 2024, respectively. Advance contributions were \$9,694,737 and \$12,498,314 as of December 31, 2025 and 2024, respectively.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Annual contributions are determined based on actuarial projections to produce sufficient funds to pay losses, loss adjustment expense, excess insurance premiums, and general and administrative expenses. If contributions do not produce sufficient funds to meet obligations, MOPERM is empowered to make special assessments. Members are jointly and severally liable for claims against MOPERM. No special assessments were made during 2025 or 2024.

Accounts Receivable: Accounts receivable are recorded at net realizable value. Management has evaluated all receivable balances for collectability and determined no estimate or allowance for uncollectible accounts is necessary.

Retro Return Reserve Refunds: If collected contributions and interest income exceed the total amount of all paid claims, claim expenses, operating expenses, and the catastrophic retro return reserves allocation in any given year, the Board of Trustees may declare that a refund of the excess amount be made. The refund shall be on a pro rata basis to all participating public entities based on the contributions of the public entity for the immediately preceding year. Unless otherwise determined by the Board of Trustees, no refund will be made until all claims are closed and the appropriate statute of limitations has expired for that policy year. Refunds are recorded in the year declared; however, MOPERM's Board of Trustees has the ability to amend prior declarations prior to payment. The effect of any board approved amendments made to the original declarations are reported during the year they are incurred.

Loss and Loss Adjustment Expense Reserves: Loss and loss adjustment expenses are charged to income as incurred. Loss and loss adjustment expense reserves represent the accumulation of estimates for reported unpaid losses including loss adjustment expenses, the effects of inflation and other societal and economic factors, plus a provision for losses incurred but not reported, and are reported net of amounts recoverable and receivable from excess loss providers. Loss adjustment expenses represent anticipated costs of settling claims, including attorneys' and adjusters' fees. The reserves for incurred but not reported loss and loss adjustment expenses are actuarially determined and based on a computation that applies varying percentages to each policy year's earned contributions, less cumulative claims paid and reported unpaid loss reserves within the statement of net position.

The methods for making such estimates and for establishing the resulting liability are continually reviewed by management and MOPERM's independent actuary and any adjustments are reflected in earnings.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Designated Catastrophic Reserves: The designated catastrophic reserves are funds designated by the Board of Trustees to cover catastrophic losses incurred by MOPERM for any policy year. The balances at December 31, 2025 for policy years 2006 through 2025 is equivalent to 10% of the earned contribution and 15% of the earned contribution for all policy years since MOPERM's inception through 2005 minus \$1,666,271 for policy year 2002; plus any undesignated retro return reserves of a policy year that is twenty years old. MOPERM contributed \$3,993,513 and \$3,675,375 to the designated catastrophic reserves during 2025 and 2024, respectively. If losses in any policy year exceed total contributions and designated catastrophic reserves, additional assessments could be made to applicable members for the policy year the losses occurred.

Operating and Non-operating Income and Expenses: All revenues and expenses, except the unrealized gains or losses on investments, and investment income are considered operating.

Income Taxes: The income earned by MOPERM is exempt from federal income tax in accordance with Section 115 of the Internal Revenue Code (IRC). MOPERM has implemented the accounting guidance for uncertainty in income taxes using the provisions of FASB ASC 740, Income Taxes. MOPERM has concluded that there are no significant uncertain tax positions requiring disclosure. MOPERM continues to evaluate its tax-exempt status in relation to FASB ASC 740.

Management's Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Retirement Plan: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri State Employees' Retirement System (MOSERS) and additions to/deductions from MOSERS' fiduciary net position have been determined on the same basis as they are reported by MOSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Other Post-employment Benefits: For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Missouri Consolidated Health Care Plan (MCHCP) and additions to/deductions from MCHCP's fiduciary net position have been determined on the same basis as they are reported by MCHCP. For this purpose, employer contributions are recognized as revenue when due and payable. Benefits are recognized when due and payable in accordance with the terms of the Plan.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Subsequent Events: MOPERM evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through March 5, 2026, which is the date the financial statements were available to be issued.

Reclassification: Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits: Cash balances include short-term securities and operating balances held by financial institutions. At December 31, 2025 and 2024, the carrying amount of deposits at the financial institutions was \$15,055,280 and \$13,698,662, respectively, and the bank balance was \$15,821,145 and \$14,126,169, respectively. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance was covered by collateral at December 31, 2025 and 2024.

Investment Policies: MOPERM has adopted an investment policy that is reviewed and approved by the Board of Trustees. During 2025 and 2024, there were no amendments to the existing investment policy.

Investment Summary: The following table presents the summary of MOPERM'S investments by type at December 31:

	2025	2024
Cash equivalents:		
Government obligation fund – money market	\$ 36,448,841	\$ 27,303,153
Fixed income securities:		
Asset-backed securities	\$ 8,215,197	\$ 4,154,350
Corporate notes	26,222,012	25,356,569
Federal agency collateralized mortgage obligations	1,612,643	1,937,028
Federal agency bonds	-	1,535,255
Federal agency mortgage-backed securities	14,924,022	14,992,743
International bonds	1,891,833	2,952,056
U.S. Treasury notes	41,404,493	37,275,402
Total fixed income securities	94,270,200	88,203,403
Mutual funds	61,147,854	50,390,542
Total investments	\$ 155,418,054	\$ 138,593,945

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Custodial Credit Risk: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, MOPERM would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, not registered in MOPERM's name, and held by the counterparty. MOPERM's investments are not exposed to custodial credit risk.

Concentration of Credit Risk: There is potential concentration of credit risk if more than five percent (5%) of the entity's investments are with any one issuer. The following investments are considered exposed to concentration of credit risk as of December 31:

	2025	
	Amount	% of Portfolio
U.S. Treasury notes	\$41,404,493	26.64%
Federal Home Loan Mortgage Corporation	\$11,037,883	7.10%
	2024	
	Amount	% of Portfolio
U.S. Treasury notes	\$37,275,402	26.90%
Federal Home Loan Mortgage Corporation	\$11,462,172	8.27%

Such concentrations are permitted by MOPERM's investment policy.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of a debt instrument's exposure to a change in interest rates and the related sensitivity of market price to parallel shifts in the yield curve. It uses the present value of cash flows, weighted for those cash flows as a percentage of the instrument's full price. MOPERM mitigates interest rate risk through the duration of investments outlined in its investment policy.

Foreign Currency Risk: MOPERM is not exposed to foreign currency risks.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Investment Maturity Schedule: Investments are reported at fair value. Investments that are purchased with less than 90 days maturity date are listed as "cash equivalents." As of December 31, 2025 and 2024, MOPERM's investment maturities consisted of the following:

	Rating	Less than one year	One to three years	Three to five years	Five to ten years	More than ten years	Total
Asset-backed securities	Aaa/ AAA	\$ -	\$1,645,728	\$4,772,190	\$ 1,455,566	\$341,713	\$8,215,197
Corporate notes	Aaa - Baa1/ AA+ - BBB+	5,776,947	7,063,052	11,450,764	1,931,249	-	26,222,012
Federal agency collateralized mortgage obligations	Aa1/ AA+	-	-	-	377,529	1,235,114	1,612,643
Federal agency mortgage-backed securities	Aa1/ AA+	-	4,872,026	3,036,409	1,398,275	5,617,312	14,924,022
International bonds	Aaa/ AAA	1,891,833	-	-	-	-	1,891,833
U.S. Treasury notes	Aa1/ AA+	197,026	12,270,546	19,194,249	9,742,672	-	41,404,493
Total		<u>\$7,865,806</u>	<u>\$25,851,352</u>	<u>\$38,453,612</u>	<u>\$14,905,291</u>	<u>\$7,194,139</u>	<u>\$94,270,200</u>

	Rating	Less than one year	One to three years	Three to five years	Five to ten years	More than ten years	Total
Asset-backed securities	Aaa/ AAA	\$ -	\$1,227,941	\$2,926,409	\$ -	\$ -	\$4,154,350
Corporate notes	Aaa/ BBB+	2,384,513	11,348,030	8,935,189	2,688,837	-	25,356,569
Federal agency collateralized mortgage obligations	Aaa/ AA+	20,624	-	-	156,443	1,759,961	1,937,028
Federal agency bonds	Aaa/ AA+	1,535,255	-	-	-	-	1,535,255
Federal agency mortgage-backed securities	Aaa/ AA+	-	102,332	7,362,607	1,433,814	6,093,990	14,992,743
International bonds	Aaa/ AAA	1,128,267	1,823,789	-	-	-	2,952,056
U.S. Treasury notes	Aaa/ AA+	-	13,171,423	18,715,434	5,388,545	-	37,275,402
Total		<u>\$5,068,659</u>	<u>\$27,673,515</u>	<u>\$37,939,639</u>	<u>\$9,667,639</u>	<u>\$7,853,951</u>	<u>\$88,203,403</u>

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Fair Value Measurement: MOPERM categorizes its fair value measurements with the fair value hierarchy established by GASB Statement No. 72, Fair Value Measurements and Application. Certain financial assets are valued using market prices from active markets (level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Level 2 instrument valuations are obtained from readily observable inputs of the instrument. Level 3 instrument valuations are done primarily with unobservable inputs which are significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value as of December 31, 2025 and 2024:

Level 1 *U.S. treasury securities:* Valued at closing price reported on the active market in which the individual securities are traded.

Mutual funds: Valued at the daily closing price as reported by the fund on an active market which is based on the underlying net asset value (NAV) of shares held at year-end. Mutual funds held by MOPERM are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by MOPERM are deemed to be actively traded.

Level 2 *Certificate of deposit, commercial paper, corporate notes, municipal bonds, U.S. agencies, international bonds, and asset-backed securities:* Valued using broker-provided quotations from pricing services, such as Interactive Data Corporation, with all significant inputs derived from or corroborated with observable market data.

Mortgage-backed securities: Principally valued using either the market approach, which uses prices and other relevant information generated by market transactions for similar assets, or the income approach, which uses valuation techniques to convert future estimated cash flows to a discounted present value amount. The valuation of these securities is based primarily on matrix pricing or other similar techniques using standard market inputs including spreads for actively traded securities, spreads off benchmark yields, expected payment speeds and volumes, current and forecasted loss severity, rating, weighted average coupon, weighted average maturity, average delinquency rates.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

The following table sets forth by level, within the fair value hierarchy, MOPERM's investments:

	Level 1	Level 2	Level 3	Total
<u>2025</u>				
Fixed income securities				
Asset-backed securities	\$ -	\$ 8,215,197	\$ -	\$ 8,215,197
Corporate notes	-	26,222,012	-	26,222,012
Federal agency collateralized mortgage obligations	-	1,612,643	-	1,612,643
Federal agency mortgage-backed securities	-	14,924,022	-	14,924,022
International bonds	-	1,891,833	-	1,891,833
U.S. Treasury notes	-	41,404,493	-	41,404,493
Total fixed income securities	-	94,270,200	-	94,270,200
Mutual funds	61,147,854	-	-	61,147,854
Total investments	<u>\$61,147,854</u>	<u>\$94,270,200</u>	<u>\$ -</u>	<u>\$ 155,418,054</u>
<u>2024</u>				
Fixed income securities				
Asset-backed securities	\$ -	\$ 4,154,350	\$ -	\$ 4,154,350
Corporate notes	-	25,356,569	-	25,356,569
Federal agency collateralized mortgage obligations	-	1,937,028	-	1,937,028
Federal agency bonds	-	1,535,255	-	1,535,255
Federal agency mortgage-backed securities	-	14,992,743	-	14,992,743
International bonds	-	2,952,056	-	2,952,056
U.S. Treasury notes	37,275,402	-	-	37,275,402
Total fixed income securities	37,275,402	50,928,001	-	88,203,403
Mutual funds	50,390,542	-	-	50,390,542
Total investments	<u>\$87,665,944</u>	<u>\$50,928,001</u>	<u>\$ -</u>	<u>\$138,593,945</u>

Gains on Investments: Net unrealized gains on investments classified as trading assets held at the reporting date were \$9,631,612 and \$87,250 for the years ended December 31, 2025 and 2024, respectively. Net realized gains on assets sold or otherwise disposed of, and included within net investment income, amounted to \$3,217,459 and \$6,723,424 for the years ended December 31, 2025 and 2024, respectively.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 4. CAPITAL ASSETS

Capital asset activity for the years ended December 31, was as follows:

	Balance at December 31, 2024	Additions	Deductions	Balance at December 31, 2025
Building and building improvements	\$ 1,183,376	\$ -	\$ -	\$ 1,183,376
Equipment	28,706	-	(26,788)	1,918
Furniture and fixtures	97,750	-	(36,081)	61,669
Computer equipment and software	782,476	33,237	(39,213)	776,500
Automobiles	16,650	-	-	16,650
Total capital assets	<u>2,108,958</u>	<u>33,237</u>	<u>(102,082)</u>	<u>2,040,113</u>
Less accumulated depreciation	<u>1,502,142</u>	<u>36,341</u>	<u>(101,999)</u>	<u>1,436,484</u>
Capital assets, net	<u>\$ 606,816</u>	<u>\$ (3,104)</u>	<u>\$ (83)</u>	<u>\$ 603,629</u>

	Balance at December 31, 2023	Additions	Deductions	Balance at December 31, 2024
Building and building improvements	\$ 1,183,376	\$ -	\$ -	\$ 1,183,376
Equipment	28,706	-	-	28,706
Furniture and fixtures	97,750	-	-	97,750
Computer equipment and software	773,503	8,973	-	782,476
Automobiles	16,650	-	-	16,650
Total capital assets	<u>2,099,985</u>	<u>8,973</u>	<u>-</u>	<u>2,108,958</u>
Less accumulated depreciation	<u>1,461,324</u>	<u>40,818</u>	<u>-</u>	<u>1,502,142</u>
Capital assets, net	<u>\$ 638,661</u>	<u>\$ (31,845)</u>	<u>\$ -</u>	<u>\$ 606,816</u>

Total depreciation expense for the years ended December 31, 2025 and 2024, was \$36,341 and \$40,818, respectively.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5. LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

Activity in the loss and loss adjustment expense reserves for the years ended December 31, was as follows:

	<u>2025</u>	<u>2024</u>
Loss and loss adjustment reserves, beginning of year, net of reinsurance recoverable of \$3,341,389 in 2024 and \$3,127,842 in 2023	\$92,325,348	\$83,628,067
Incurred loss and loss adjustment expenses:		
Provision for insured events – current year	29,132,070	28,000,810
Provision for insured events – prior year	<u>1,516,719</u>	<u>4,100,056</u>
Total incurred loss and loss adjustment expense	<u>30,648,789</u>	<u>32,100,866</u>
Payments:		
Loss and loss adjustment expense attributable to insured events – current year	6,208,065	6,809,259
Loss and loss adjustment expense attributable to insured events – prior year	<u>17,234,759</u>	<u>16,594,326</u>
Total payments	<u>23,442,824</u>	<u>23,403,585</u>
Loss and loss adjustment expense reserves, end of year, net of reinsurance recoverable of \$3,907,618 in 2025 and \$3,341,389 in 2024	<u>\$99,531,313</u>	<u>\$92,325,348</u>

The provision for prior year insured events represents the variations between MOPERM's estimated claims payable for prior years' claims and the actual amounts required to satisfy such claims.

NOTE 6. GENERAL AND ADMINISTRATIVE EXPENSES

The most significant components of general and administrative expenses are salary, employee benefits, and agent commissions. All employees administering MOPERM are employees of the State of Missouri and are covered by the Missouri State Employees' Retirement System. MOPERM reimburses the State of Missouri, a related organization, for all costs of administration, including salary costs of \$974,196 and \$950,244 for 2025 and 2024, respectively, and pension costs of \$266,482 and \$239,989 for 2025 and 2024, respectively. As of December 31, 2025 and 2024, no balances were due to the State of Missouri. The State of Missouri's other post-employment benefit package is subject to the measurement and disclosure requirements of GASB 75.

Agent commission expense totaled \$3,949,611 and \$3,351,265 for the year ended December 31, 2025 and 2024, respectively.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 7. RETRO RETURN RESERVE REFUNDS

The Board of Trustees of MOPERM did not declare retro return reserve refunds for 2025 or 2024. As of December 31, 2025, cumulative retro return reserve refunds were as follows:

Policy Year	Refunds Declared and Paid Prior to 2025	Refunds Declared and Accrued During 2025	Refunds Total Declared	Percentage of Contributions Refunded
1987	\$ 1,391,082	\$ -	\$ 1,391,082	85%
1988	2,074,331	-	2,074,331	76%
1989	519,031	-	519,031	23%
1990	933,499	-	933,499	45%
1991	270,627	-	270,627	12%
1992	825,298	-	825,298	28%
1993	45,879	-	45,879	1%
1994	155,373	-	155,373	3%
1995	2,786,059	-	2,786,059	47%
1996	1,456,194	-	1,456,194	23%
1997	1,048,002	-	1,048,002	15%
1998	399,664	-	399,664	6%
1999	260,176	-	260,176	4%
2000	211,403	-	211,403	3%
2001	337,970	-	337,970	4%
	<u>\$12,714,588</u>	<u>\$ -</u>	<u>\$12,714,588</u>	

NOTE 8. EXCESS INSURANCE

MOPERM maintains excess insurance coverage with outside insurance carriers for the property program. The property reinsurance coverage for the years ended December 31, 2025 and 2024 was placed with multiple carriers, collectively providing coverage of \$200,000,000 for each occurrence. For the years ended December 31, 2025 and 2024, MOPERM's retention was \$500,000 per occurrence. For the years ended December 31, 2025 and 2024, the equipment breakdown excess policy provided coverage of \$100,000,000 for each occurrence with no annual aggregate, and MOPERM had a \$10,000 deductible per occurrence. MOPERM added cyber and information breach insurance coverage to its product offerings through an outside carrier during the 2017 fiscal year, and the coverage continued through the December 31, 2021 coverage period. Effective October 1, 2021, no new liability policies written by MOPERM included cyber and information breach coverage, and effective January 1, 2022, no renewed liability policies included cyber and information breach coverage. MOPERM has not carried excess insurance coverage for the crime program since January 1, 2016.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Effective October 1, 2017, MOPERM purchased an annual liability reinsurance policy with ACE American Insurance Company. The coverage was renewed effective October 1, 2018 and allowed to expire effective October 1, 2019 due to a significant increase in cost for the coverage. ACE American Insurance Company is not liable for more than \$1,500,000 in net losses per occurrence. MOPERM's retention per occurrence was \$500,000 with a \$500,000 annual aggregate. Prior to October 1, 2017, MOPERM had not purchased an excess insurance policy for liability coverage since July 7, 2002.

NOTE 9. CONDOMINIUM ASSOCIATION

On February 4, 2005, MOPERM purchased an office condominium in the Howerton Center Condominium. In conjunction with the purchase, MOPERM became a one-third member of The Howerton Center Condominium Association, Inc. (Corporation). The Corporation is a Mutual Benefit Corporation formed for the purpose of maintaining the common areas in The Howerton Center Condominium and performing all other duties set forth in the Declaration of Condominium. MOPERM previously contributed \$1,000 to the Corporation for operating funds. MOPERM is billed for utilities, insurance, and other expenditures by the Corporation as outlined in the Corporation's Condominium Declarations and Bylaws. MOPERM records such expenditures on the accrual basis of accounting as general and administrative expenses.

NOTE 10. RETIREMENT PLAN

Plan description: Benefit eligible employees of MOPERM are provided with pensions through the Missouri State Employees' Plan (MSEP) – a cost-sharing, multiple-employer defined benefit pension plan administered by MOSERS. The plan is referred to as MOSERS in the notes. Chapter 104.320 RSMo grants the authority to establish a defined benefit plan for eligible state and other related agency employees. MOSERS issues an Annual Comprehensive Financial Report (ACFR), a publicly available financial report that can be obtained at www.mosers.org.

Benefits provided: MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a plan-specific factor multiplied by the years of creditable service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP 2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' ACFR.

Contributions: Per Chapter 104.436 RSMo, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4% of their annual pay. MOPERM's required contribution rate for the MOSERS plan years ended June 30, 2025 and 2024, was 28.75% and 27.26% of annual payroll, respectively, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance the unfunded accrued liability.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Contributions to the pension plan from MOPERM were \$266,482 and \$239,989 for the MOSERS plan years ended June 30, 2025 and 2024, respectively.

Net pension liability: At December 31, 2025 and 2024, MOPERM reported a liability of \$2,860,086 and \$2,911,671 respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025 and 2024, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The total pension liability was offset by the fiduciary net position obtained from MOSERS' ACFR as of June 30, 2025 and 2024, to determine the net pension liability.

MOPERM's proportion of the net pension liability was based on MOPERM's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan years ended June 30, 2025 and 2024, respectively. At the June 30, 2025 and 2024 measurement dates, MOPERM's proportion was 0.036%.

During the MOSERS plan year ended June 30, 2025 and 2024, there were no changes in benefit terms that affected the measurement of total pension liability.

Actuarial assumptions: The total pension liability in the June 30, 2025 and June 30, 2024 actuarial valuations, which is also the date of measurement for GASB 68 purposes, were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2025 and 2024
Inflation	2.25%
Salary increases	2.50% - 10.00%, including inflation for 2025 2.75% - 10.00%, including inflation for 2024
Wage inflation	2.25%
Investment rate of return	6.95%, compounded annually, net after investment expenses and including inflation

The actuarial assumptions used in the June 30, 2025 and June 30, 2024 valuations were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. There were no changes in assumptions for the June 30, 2025 or June 30, 2024 valuations.

Mortality: Mortality rates for post-retirement mortality are based on the Pub-2010 General Members Below Median Healthy Retiree mortality table, projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Long-term investment rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate rates of expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adjusting for expected inflation, volatility and correlations. Best estimates of the real rates of return expected are summarized by asset as of June 30, 2025 in the following table:

Asset Class	2025 Policy Allocation	Long-Term Expected Nominal Rate of Return*	Weighted Average Long-Term Expected Nominal Return
Global public equities	40.0%	8.2%	3.3%
Global private equities	15.0%	10.9%	1.6%
US treasuries	20.0%	4.8%	1.0%
Private real estate	5.0%	7.5%	0.4%
Private real assets	5.0%	9.7%	0.5%
Alternative beta	15.0%	5.6%	0.8%
Private credit	10.0%	8.4%	0.8%
Cash and cash equivalents**	(10.0)%	4.1%	(0.4)%
	<u>100.0%</u>		<u>8.0%</u>
	Correlation/Volatility Adjustment		(0.6)%
	Long-Term Expected Net Nominal Return		7.4%
	Less: Investment Inflation Assumption		(2.5)%
	Long-Term Expected Geometric Net Real Return		<u>4.9%</u>

* Long-term expected arithmetic returns of the asset classes at the time of the asset allocation study for each portfolio.

**Cash and cash equivalents policy allocation amounts are negative due to the use of leverage.

Discount rate: The discount rate used to measure the total pension liability for the periods ending June 30, 2025 and 2024 was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made using the actuarially determined rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all the projected future benefit payments of the current plan members. As a result, the long-term expected rate of return on pension plan investments, net of investment expense, of 6.95% was applied to all periods of projected benefit payments to determine the total pension liability.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Sensitivity of MOPERM's proportionate share of the net pension liability to changes in the discount rate: The following presents MOPERM's proportionate share of the net pension liability calculated for the period ended June 30, 2025, using the discount rate of 6.95%, as well as what MOPERM's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	2025		
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
MOPERM's proportionate share of the net pension liability	<u>\$3,573,949</u>	<u>\$2,860,086</u>	<u>\$2,263,836</u>

Sensitivity of MOPERM's proportionate share of the net pension liability to changes in the discount rate: The following presents MOPERM's proportionate share of the net pension liability calculated for the period ended June 30, 2024, using the discount rate of 6.95%, as well as what MOPERM's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	2024		
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
MOPERM's proportionate share of the net pension liability	<u>\$3,614,885</u>	<u>\$2,911,671</u>	<u>\$2,324,299</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued MOSERS annual comprehensive financial report.

Pension expense: For the years ended December 31, 2025 and 2024, MOPERM recognized pension expense of \$332,072 and \$468,687, respectively.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Deferred outflows of resources and deferred inflows of resources: At the measurement date of June 30, 2025, MOPERM reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expect and actual experience	\$ 77,478	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	100,363	-
Changes in proportion and difference between MOPERM contributions and proportionate share of contributions	-	37,381
MOPERM contributions subsequent to the measurement date of June 30, 2025	137,758	-
Total	<u>\$ 315,599</u>	<u>\$ 37,381</u>

\$137,758 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in MOPERM's fiscal year following MOSERS' fiscal year as follows:

MOSER'S plan year ending June 30:

2026	\$ 147,549
2027	24,203
2028	(14,675)
2029	(16,617)
	<u>\$ 140,460</u>

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

At the measurement date of June 30, 2024, MOPERM reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expect and actual experience	\$ 141,438	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	196,378	-
Changes in proportion and difference between MOPERM contributions and proportionate share of contributions	-	82,383
MOPERM contributions subsequent to the measurement date of June 30, 2024	116,086	-
Total	<u>\$ 456,104</u>	<u>\$ 82,383</u>

\$116,086 reported as deferred outflows of resources related to pensions resulting from MOPERM contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the year ended December 31, 2025.

Payables to the pension plan: MOPERM did not report any payables to MOSERS.

NOTE 11. OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

Plan description: MOPERM participates as an employer in a cost-sharing, multiple-employer, defined benefit, other post-employment benefits plan, the State Retiree Welfare Benefit Trust (SRWBT), operated by Missouri Consolidated Health Care Plan (MCHCP). Employees may participate at retirement if eligible to receive a monthly retirement benefit from MOSERS. The terms and conditions governing post-employment benefits are vested with the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended (RSMo) 103.003 through 103.178. The SRWBT does not issue a separate stand-alone financial report. Financial activity of the SRWBT is included in the MCHCP Annual Comprehensive Financial Report as a fiduciary fund and is intended to present only the financial position of the activities attributable to the SRWBT. Additionally, MCHCP is considered a component unit of the State reporting entity and is included in the State's ACFR.

The plan's financial statements are available on MCHCP's website at www.mchcp.org.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Benefits: The SRWBT was established and organized on June 27, 2008, to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the State and their dependents who meet eligibility requirements, except for those retired members covered by other OPEB plans of the State. MCHCP's three medical plans offer the same basic coverage such as preventative care, freedom to choose care from a nationwide network of primary care providers, specialists, pharmacies and hospitals, usually at a lower negotiated group discount and the same covered benefits for both medical and pharmacy. Benefits are the same in all three plans; other aspects differ such as premium, deductible and out of pocket costs. Retiree benefits are the same as for active employees.

Contributions: Contributions are established and may be amended by the MCHCP Board of Trustees. For the fiscal year ended June 30, 2024, employers were required to contribute 3.59% of gross active employee payroll. Employees do not contribute to this plan. No payables to MCHCP were outstanding at year end.

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources: At December 31, 2025 and 2024, MOPERM reported a liability of \$670,221 and \$629,088, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024 and 2023, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. MOPERM's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024 and 2023, MOPERM's proportion was 0.0424% and 0.0437%, respectively.

For the years ended December 31, 2025 and 2024, MOPERM recognized OPEB expense of \$31,417 and \$32,666, respectively. As of December 31, 2025, MOPERM reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 23,038	\$ 3,125
Assumption changes	36,980	152,021
Net difference between projected and actual earnings on plan investments	898	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	99,352	62,848
MOPERM contributions subsequent to the measurement date of June 30, 2024	22,378	-
	<u>\$ 182,646</u>	<u>\$ 217,994</u>

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

\$22,378 reported as deferred outflows of resources related to OPEB resulting from MOPERM contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in MOPERM's financial statements during the year ended December 31, 2026.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Plan year ending June 30:

2026	\$ (13,718)
2027	(13,080)
2028	(12,871)
2029	(11,408)
2030	(6,649)
	<u>\$ (57,726)</u>

Actuarial assumptions: The collective total OPEB liability for the June 30, 2024, measurement date was determined by an actuarial valuation as of January 1, 2024, with updated procedures used to roll forward the total OPEB liability to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

Valuation year	July 1, 2023 – June 30, 2024
Actuarial cost method	Entry age normal, level percentage of payroll
Asset valuation method	Fair value
Discount rate (blended)	5.50%
Projected payroll growth	4.0%
Inflation rate	3.0%
Health care cost trend rate (medical & prescription drugs combined):	
Non-Medicare	6.34% for fiscal year 2025, 6.78% for fiscal year 2026 (rate decreases by 0.22% from fiscal year 2027-2030 per year), 5.77% for fiscal year 2031, 5.72% for fiscal year 2032, 5.62% for fiscal year 2033, 5.46% for fiscal year 2034, 5.30% for fiscal year 2035, 5.13% for fiscal year 2036, 4.95% for fiscal year 2037 (rate decreases by .18% from fiscal year 2037-2039), 4.50% for fiscal year 2040 and after.
Medicare	7.75% for fiscal year 2025, 9.39% for fiscal year 2026, 12.87% for fiscal year 2027, 12.73% for fiscal year 2028, 9.56% for fiscal year 2029, 9.14% for fiscal year 2030, 8.34% for fiscal year 2031, 7.67% for fiscal year 2032, 7.35% for fiscal year 2033, 6.92% for fiscal year 2034, 6.49% for fiscal year 2035, 6.05% for fiscal year 2036, 5.61% for fiscal year 2037, 5.16% for fiscal year 2038, 4.72% for fiscal year 2039, and 4.50% for fiscal year 2040 and after.
Administrative Expenses	0.00%, 3.00% (ultimate)

Mortality: For Employees/Annuitants, Pri-2012 amount-weighted mortality table projected generationally using Scale MP-2021.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

The last experience study was conducted for the period July 1, 2016, through June 30, 2020. The last independent actuarial review of the reasonableness and accuracy of actuarial assumptions, actuarial cost methods, and valuations was conducted as of June 30, 2024.

A discount rate of 5.50% was used to measure the total OPEB liabilities, consistent with the rate used for the June 30, 2024 valuation. The OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investment was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of MOPERM's proportionate share of the net OPEB liability to changes in the discount rate: The following table presents MOPERM's net OPEB liability, calculated using a discount rate of 5.50%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease in Discount Rate (4.50%)	Current Discount Rate (5.50%)	1% Increase in Discount Rate (6.50%)
MOPERM's proportionate share of the net OPEB liability	\$790,217	\$670,221	\$573,213

Sensitivity of MOPERM's proportionate share of the net OPEB liability to changes in the health care cost trend rates: The following table presents MOPERM's net OPEB liability, calculated using the current trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
MOPERM's proportionate share of the net OPEB liability	\$568,685	\$670,221	\$797,147

Long-term expected rate of return: The target allocation and expected real rate of return for each major asset class are listed below:

	Target Allocation	Expected Real Rate of Return
Domestic Large Cap Equity	20%	7.5%
Domestic Mid Cap Equity	5%	8.4%
Domestic Small Cap Equity	5%	9.3%
Global Equity	6%	7.9%
Domestic Fixed Income	64%	4.4%

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 12. CONTINGENCIES

MOPERM is a party to a number of lawsuits arising in the normal course of business. While the results of other litigation cannot be predicted with certainty, management, based upon advice of MOPERM's counsel, believes the final outcome of the other litigation will not have a material adverse effect on MOPERM's financial position or its results of operations.

REQUIRED SUPPLEMENTARY INFORMATION

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
LOSS DEVELOPMENT INFORMATION
DECEMBER 31, 2025

The following page illustrates how MOPERM's earned revenues (net of excess insurance) and investment income compared to related costs of loss (net of loss assumed by excess insurers) and other expenses assumed by MOPERM for each of the ten years ended December 31, 2025. The rows of the table are defined as follows:

1. The total of each fiscal year's gross earned contribution revenues and investment revenues. Earned contribution revenue and investment revenue paid to excess insurers and earned contribution revenue and investment revenue net of the effects of excess reinsurance premiums.
2. Each fiscal year's other operating costs of MOPERM including overhead and claims expense not allocable to individual claims.
3. MOPERM's gross incurred losses and allocated loss adjustment expense, losses assumed by excess insurer and net incurred losses and allocated loss adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
4. The cumulative net amounts paid as of the end of successive years for each policy year.
5. The latest re-estimated amount of losses assumed by excess insurers as of the end of each year for each accident year.
6. Each policy year's incurred losses increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known losses, re-evaluation of existing information on known losses, as well as the emergence of new losses not previously known.
7. Compares the latest re-estimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate of loss cost is greater or less than originally thought. As data for individual policy years matures, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred losses currently recognized in less mature policy years. The columns of the table show data for successive policy years.

See independent auditors' report

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
LOSS DEVELOPMENT INFORMATION
DECEMBER 31, 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiscal year ended:										
(1) Contribution and investment revenue:	\$ 22,508,769 * (1,700,131)	\$ 23,607,351 * (2,522,207)	\$ 22,332,672 * (4,429,782)	\$ 23,489,544 * (4,344,962)	\$ 25,488,439 * (2,232,661)	\$ 27,175,446 * (3,183,899)	\$ 30,263,345 * (3,603,178)	\$ 39,294,628 (4,735,518)	\$ 51,384,745 (6,355,400)	\$ 55,120,666 (7,251,272)
Earned	20,808,638	21,085,144	17,902,890	19,144,582	23,255,778	23,991,547	26,660,167	34,559,110	45,029,345	47,869,394
(2) Total allocated expenses	3,176,652	3,295,614	3,321,263	3,485,226	3,694,041	3,781,149	8,726,039	4,742,729	5,286,841	5,753,896
Not yet earned:										
(3) Contribution refunds, cumulative	-	-	-	-	-	-	-	-	-	-
(3) Estimated incurred loss and loss adjustment expense, end of policy year:	23,377,682 (103,215)	21,735,197 (1,565,208)	26,475,860 (2,331,916)	27,101,043 (25,647)	27,368,862 (368,159)	17,622,117 (212,045)	25,426,713 (684,170)	26,743,551 (38,285)	28,014,084 (13,274)	29,142,012 (9,942)
Incurred	23,274,467	20,169,989	24,143,944	27,075,396	27,000,703	17,410,072	24,742,543	26,705,266	28,000,810	29,132,070
Ceded:										
(4) Net paid losses (cumulative) as of:										
End of policy year	3,995,418	4,582,995	4,107,686	4,705,911	3,366,782	3,711,944	5,564,773	5,519,678	6,809,259	6,207,965
One year later	5,883,568	7,691,060	7,562,403	6,667,895	4,175,729	5,434,960	6,731,909	8,067,720	10,271,474	
Two years later	10,508,302	11,620,038	8,351,875	8,170,071	4,746,227	7,423,685	9,847,955	9,479,897		
Three years later	11,494,743	15,938,625	12,644,385	10,933,830	6,280,587	9,062,032	14,573,997			
Four years later	12,119,474	18,398,105	14,795,836	10,544,682	9,931,318	12,152,353				
Five years later	12,789,918	24,460,987	10,056,639	12,110,391	10,628,016					
Six years later	13,736,269	23,652,367	11,280,383	13,504,678						
Seven years later	15,141,446	23,934,852	12,034,111							
Eight years later	15,276,290	24,056,094								
Nine years later	15,642,702									
(5) Re-estimated ceded loss and loss adjustment expense	(184,236)	(2,590,608)	(4,609,608)	(1,318,808)	(687,113)	(450,702)	(1,445,330)	(877,743)	(38,741)	(9,942)
(6) Re-estimated incurred loss and loss adjustment expense:										
End of policy year	23,274,467	20,169,989	24,143,944	27,075,396	27,000,703	22,044,796	24,742,543	26,705,266	28,000,810	29,132,070
One year later	27,565,422	21,344,752	25,846,130	23,434,987	17,655,823	17,834,162	22,367,738	26,423,166	27,276,288	
Two years later	18,229,678	27,340,106	23,575,505	19,763,320	15,179,049	16,684,436	24,254,370	24,803,025		
Three years later	16,873,691	24,058,205	16,219,453	17,494,808	15,052,184	16,276,493	25,698,405			
Four years later	15,786,604	24,740,316	14,829,523	15,296,142	13,830,294	18,012,647				
Five years later	14,661,940	26,371,631	15,451,594	15,406,717	13,441,433					
Six years later	16,190,318	24,911,470	12,823,725	15,399,096						
Seven years later	15,561,567	26,920,971	12,350,095							
Eight years later	15,549,567	24,939,636								
Nine years later	15,855,959									
(7) Increase (decrease) in estimated incurred losses and loss of adjustment expenses from end of policy year	(7,418,508)	4,769,647	(11,793,849)	(11,676,300)	(13,559,270)	602,575	955,862	(1,902,241)	(724,522)	-

* Includes only contributions earned.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
DECEMBER 31, 2025 AND 2024

	Liability		Property	
	2025	2024	2025	2024
Loss and loss adjustment expense reserves, beginning of year	\$ 90,393,587	\$ 82,400,028	\$ 1,931,761	\$ 1,228,038
Incurred loss and loss adjustment expenses:				
Provision for insured events - current year	25,273,012	24,442,897	3,859,058	3,557,913
Provision for insured events - prior years	3,384,626	4,365,636	(1,867,907)	(265,580)
Total incurred loss and loss adjustment expenses	28,657,638	28,808,533	1,991,151	3,292,333
Payments:				
Loss and loss adjustment expenses attributable to insured events - current year	3,483,932	4,079,447	2,724,133	2,729,812
Loss and loss adjustment expenses attributable to insured events - prior years	17,969,758	16,735,527	(734,999)	(141,202)
Total payments	21,453,690	20,814,974	1,989,134	2,588,610
Loss and loss adjustment expense reserves, end of year	<u>\$ 97,597,535</u>	<u>\$ 90,393,587</u>	<u>\$ 1,933,778</u>	<u>\$ 1,931,761</u>

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MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
SCHEDULE OF MOPERM'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
MOPERM's proportion of the net pension liability	0.036%	0.036%	0.038%	0.038%	0.032%
MOPERM's proportionate share of the net pension liability	\$ 2,860,086	\$ 2,911,671	\$ 2,899,021	\$ 2,705,052	\$ 1,768,288
MOPERM's covered payroll	\$ 926,894	\$ 880,370	\$ 836,629	\$ 753,578	\$ 637,531
MOPERM's proportionate share of the net pension liability as a percentage of its covered payroll	308.57%	330.73%	346.51%	358.96%	277.37%
Plan fiduciary net position as a percentage of the total pension liability	53.78%	52.02%	52.86%	53.53%	63.00%
	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
MOPERM's proportion of the net pension liability	0.034%	0.032%	0.030%	0.033%	0.034%
MOPERM's proportionate share of the net pension liability	\$ 2,129,232	\$ 1,961,021	\$ 1,676,043	\$ 1,720,313	\$ 1,579,883
MOPERM's covered payroll	\$ 670,248	\$ 630,623	\$ 584,003	\$ 650,280	\$ 659,145
MOPERM's proportionate share of the net pension liability as a percentage of its covered payroll	317.68%	310.97%	286.99%	264.55%	239.69%
Plan fiduciary net position as a percentage of the total	55.48%	56.72%	59.02%	60.41%	63.60%

Figures are based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

**MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
SCHEDULE OF MOPERM'S CONTRIBUTIONS FOR PENSION
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS**

	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Required contribution	\$ 266,482	\$ 239,989	\$ 220,284	\$ 177,166	\$ 145,867
Contribution in relation to the required contribution	266,482	239,989	220,284	177,166	145,867
Contribution deficiency (excess)	-	-	-	-	-
MOPERM's covered payroll	\$ 926,894	\$ 880,370	\$ 836,629	\$ 753,578	\$ 637,531
Contributions as a percentage of covered payroll	28.75%	27.26%	26.33%	23.51%	22.88%

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Required contribution	\$ 145,913	\$ 127,449	\$ 113,588	\$ 110,353	\$ 111,857
Contribution in relation to the required contribution	145,913	127,449	113,588	110,353	111,857
Contribution deficiency (excess)	-	-	-	-	-
MOPERM's covered payroll	\$ 670,248	\$ 630,623	\$ 584,003	\$ 650,280	\$ 659,145
Contributions as a percentage of covered payroll	21.77%	20.21%	19.45%	16.97%	16.97%

See independent auditors' report

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
SCHEDULE OF MOPERM'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
STATE RETIREE WELFARE BENEFIT TRUST
LAST 10 FISCAL YEARS **

	December 31, 2025*	December 31, 2024*	December 31, 2023*	December 31, 2022*	December 31, 2021*	December 31, 2020*	December 31, 2019*	December 31, 2018*
MOPERM's proportion of the net OPEB liability	0.0424%	0.0437%	0.0443%	0.0365%	0.0402%	0.0395%	0.0361%	0.402%
MOPERM's proportionate share of the net OPEB liability	\$ 670,221	\$ 629,088	\$ 624,094	\$ 622,581	\$ 716,031	\$ 698,661	\$ 632,558	\$ 709,381
MOPERM's covered payroll	\$ 825,116	\$ 759,564	\$ 767,133	\$ 584,936	\$ 693,227	\$ 632,421	\$ 581,922	\$ 584,003
MOPERM's proportionate share of the net OPEB liability as percentage of its covered payroll	81.23%	82.82%	81.35%	106.44%	103.29%	110.47%	108.70%	121.47%
Plan fiduciary net position as a percentage of the total OPEB liability	12.41%	12.41%	12.18%	12.12%	10.14%	8.24%	7.31%	6.64%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

**This schedule will ultimately contain 10 years of data.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND
SCHEDULE OF MOPERM'S CONTRIBUTIONS FOR OPEB
STATE RETIREE WELFARE BENEFIT TRUST
LAST 10 FISCAL YEARS **

	December 31, 2025	December 31, 2024*	December 31, 2023*	December 31, 2022*	December 31, 2021*	December 31, 2020*	December 31, 2019*	December 31, 2018*
Required contribution	\$ 31,417	\$ 32,666	\$ 32,347	\$ 27,151	\$ 29,065	\$ 32,610	\$ 24,876	\$ 27,110
Contributions in relation to the required contribution	31,417	32,666	32,347	27,151	29,065	32,610	24,876	27,110
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
MOPERM's covered payroll	\$ 825,116	\$ 759,564	\$ 767,133	\$ 584,936	\$ 693,227	\$ 632,421	\$ 581,922	\$ 584,003
Contributions as a percentage of covered payroll	3.81%	4.30%	4.22%	4.64%	4.19%	5.16%	4.27%	4.64%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

**This schedule will ultimately contain 10 years of data.